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*Special California Litigation Counsel to the  
Debtors and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re

RESIDENTIAL CAPITAL, LLC, et al.,

Debtors.

Case No. 12-12020 (MG)

Chapter 11

Jointly Administered

**ERRATA AND STATEMENT OF RESOLUTION OF OMNIBUS OBJECTION OF THE  
UNITED STATES TRUSTEE REGARDING SEVERSON & WERSON, P.C.'S FOURTH  
APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES  
INCURRED FOR THE TIME PERIOD MAY 1, 2013 THROUGH AUGUST 31, 2013**

Severson & Werson, P.C. (“**Applicant**”), Special California Litigation Counsel to Residential Capital, LLC., *et al.*, as debtors and debtors in possession (collectively, the “**Debtors**”), submits this errata to the fee applications for fourth interim compensation attaching the spreadsheet of expenses to supplement Exhibit D of the application and statement of resolution to the omnibus objection of the United States Trustee (“**UST**”) regarding the fee applications for fourth interim compensation and reimbursement of expenses, including the application submitted by Applicant, respectfully showing as follows:

**RELEVANT BACKGROUND**

1. On July 25, 2012, the Court entered the *Order Under Section 327(c) of the Bankruptcy Code, Bankruptcy Rule 2014(a) and Local Rule 2014-1 Authorizing the Employment and Retention of Severson & Werson PC as Special California Litigation Counsel to the Debtors, Nunc Pro Tunc to May 14, 2012* [Docket No. 905], approving Applicant's retention.

2. In general, Applicant has represented the Debtors in connection with litigation in California where Applicant:

- (a) defended claims brought in California by individual borrowers pertaining to consumer lending issues, including, but not limited to, allegations of wrongful foreclosure, irregularities in the foreclosure process, violation of applicable statutes related to pre-foreclosure requirements, breach of alleged oral modification, breach of promises to forebear from foreclosing, quiet title and partition actions, unfair business practices act claims and other mortgage lending issues;
- (b) defended class action claims regarding alleging improprieties with loan origination and/or servicing;
- (c) defended mass tort actions and qui tam actions raising document recording issues and relating to the utilization of Mortgage Electronic Registration Systems services; and
- (d) defended claims objections, contested relief from stay motions and adversary proceedings related to consumer lending issues brought by individual borrowers in their respective bankruptcy cases pending in California;

On average, Applicant performed services on behalf of one or more of the Debtor entities with respect to 42 different litigation matters in California for each month of the Application period.

3. Pursuant to the terms of the Court's *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* entered July 17, 2012 (the "**Interim Compensation Order**") [Docket No. 797], Applicant, among others, filed its fourth application for compensation and reimbursement of expenses incurred for the time period

between May 1, 2013 and August 31, 2013 (the “**Application**”) [Docket No. 5815] on November 18, 2013. By way of its Application, Applicant seeks compensation of \$271,728.85 and reimbursement of expenses in the amount of \$21,965.03. This Application inadvertently omitted a spreadsheet attachment to Exhibit D which itemized each expense component of the total expenses sought.

4. On October 23, 2013, the Debtors filed a Notice of Hearing and Deadlines Regarding Interim Applications for Allowance of Compensation and Reimbursement of Expenses for the Period between May 1, 2013 and August 31, 2013 (the “Notice of Hearing”) [Docket No. 5450]. The Notice of Hearing provided interested parties notice of the hearing date on the Application of December 17, 2013 and also provided interested parties with notice of the deadline within which to object to the Application of December 9, 2013.

5. On December 9, 2013, the UST filed its Omnibus Objection of the United States Trustee Regarding Fee Applications for Fourth Interim Awards of Compensation and Reimbursement of Out-of-Pocket Expenses (“**Objection**”) [Docket No. 6047]. In its Objection, the UST objects to the allowance of \$30,375.25 in fees Applicant requests in its Application. The basis for the UST’s objections are: 1) \$8,071.50 are fees charged by 11 attorneys that have billed fewer than 5 hours; and 2) \$22,303.75 are for services rendered during January – April, 2013 which may be duplicative of fees sought in the third interim application.

#### **ERRATA – SPREADSHEET TO SUPPLEMENT EXHIBIT D**

The UST’s objection points out that the Application failed to attach the spreadsheet itemizing the expenses set forth in Exhibit D. That spreadsheet was immediately forwarded to counsel for the UST and a copy is attached hereto as Exhibit A.

#### **RESOLUTION OF UST OBJECTION**

Applicant and the UST have resolved the UST objections on the following terms:

1. The UST has accepted Applicant's explanation of the concerns raised by the UST regarding time records that include entries for work performed in a prior fee period; and
2. Applicant has agreed to the entire reduction of \$5,000 in fees.

**CONCLUSION**

For the reasons stated above, Applicant respectfully requests that the UST's Objection to the Application be overruled, that the Court approval the resolution of the UST's Objection to the Application and subject to the terms of the resolution with the UST, approve the Application.

DATED: December 12, 2013

SEVERSON & WERSON  
A Professional Corporation

By: /s/ Donald H. Cram  
Donald H. Cram  
*Special California Litigation Counsel for  
Residential Capital, LLC, et al.*